

A photograph of the Town of Lexington Visitors Center, a two-story building with light-colored siding and white trim. A large American flag is in the foreground on the left. A sign on the right reads "WELCOME TO LEXINGTON Visitors Center". The sky is blue with some clouds.

# Town of Lexington

## 2021 Economic Development Summary Report

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**Lexington is home to 1,454 businesses with 22,757 employees. That's an increase of nearly 20 percent in businesses since 2007.**

Photo credit: Economic Development Office, 2021, throughout unless otherwise noted.

# Introduction

The Town of Lexington has long emphasized economic development efforts to support the local business environment and help grow the commercial tax base. The Economic Development Advisory Committee (EDAC) and Economic Development Office were created to help carry out the work associated with supporting and encouraging commercial investment in Lexington.

Lexington's Select Board outlined the Town's economic development strategy with an emphasis on:

- 1) Creating large-scale commercial growth
- 2) Attracting new life sciences companies
- 3) Promoting vibrancy by working with small as well as large corporate business owners, and
- 4) Exploring the role of tourism as a function of economic development

The Select Board has placed new responsibilities under the purview of the Economic Development office associated with the visitor-based economy as well as making it the primary point-of-contact for permit sequencing.

Some of the goals for the Economic Development office in the past year include helping businesses weather and successfully reopen around the pandemic, making the town a destination for life sciences companies, and planning for an increase in visitors for the 250th anniversary of the Battle of Lexington in 2025.



# Committee Work

## Economic Development Advisory Committee

The committee worked toward rezoning the Hartwell/Bedford corridor by supporting a citizens petition to increase the height limit and allowable density through zoning changes. The committee also worked closely with the staff and the Planning Board for a Town-wide zoning amendment that will help the development community as it starts repositioning existing buildings for lab/life sciences use.

## Lexington Center Committee

The committee continues to encourage citizens to support Lexington's businesses in order to maintain a vital town center, and it advocated on behalf of those businesses during shutdowns associated with the COVID-19 pandemic. It also worked on beautification projects, partnered with DPW in planning upkeep and maintenance, and reviewed bikeshare data to aid in future planning. It supported the eighth year implementation of the Parklett, and it supported funding the Center Streetscape project.

## Tourism Committee

The Tourism Committee is proud to have opened the new visitors center in 2020. The strategic marketing campaign is designed to boost our visitor-based economy and work with visitor services to ensure a planning and staffing structure to best serve our visitors. It is continuing to plan for the Lexington 250th anniversary celebration in 2025 and seek Arts Cultural District status.

## Parking Management Group

The Parking Management Group is a working group established to advise the Town Manager on parking management issues in and around the Central Business District. In the past year, the Parking Management Group advised the Town Manager on replacing parking meters along Massachusetts Avenue and installing parking kiosks in the Center Parking lots, reviewed the Senior Parking Program proposal, and proposed short term parking adjustments to help businesses during COVID-19 and the beginning of the Center Streetscape project.

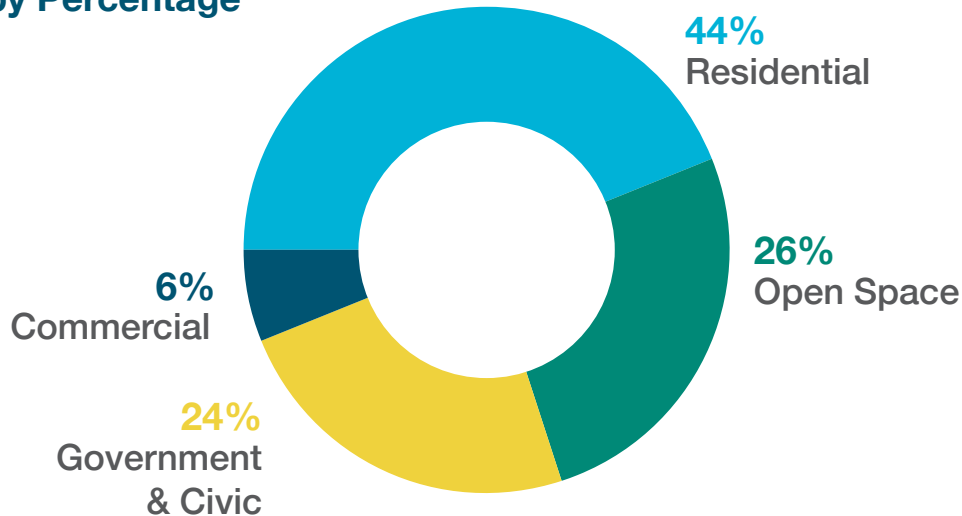


Tourism Committee, 2020

# Land Use

Lexington is approximately 16.5 square miles. Today, 6% of the Town's land is zoned for commercial use. The largest land designation is 44% for residential use, followed by open space's 26% and government and civic use's 24%. Among our neighbors, Concord has the least commercial zoning relative to town area, with 2.4%. Burlington has the most, 44%.

## Land Use by Percentage



## Lexington's Commercial Districts

### Downtown Lexington

Lexington's charming center is home to numerous restaurants and retail establishments. The Minuteman Commuter Path runs parallel to the Center which brings visitors from across the region to Lexington. Lexington Center comprises 58 parcels and over **253 businesses**.

### Hayden Avenue

Hayden Avenue is quickly becoming one of Lexington's most desirable areas for new companies. Home to biotech giant Takeda and other new developments, many life sciences companies are attracted to this area. Hayden Ave consists of 18 parcels and **56 businesses**, and has direct access to nearby cities via Route 2.

### Hartwell Avenue

Hartwell Ave is one of the leading defense and life science clusters in the Greater Boston Area. This commercial area is home to 36 parcels housing over **107 businesses**. It offers proximity to Route 95, Hanscom Air Force Base, and Lincoln Labs.

### Forbes Road/2A

The commercial area located along Forbes Road and Route 2A houses a mixture of businesses including life science, offices, and two new hotels.

### East Lexington

East Lexington, located along Massachusetts Avenue, comprises a diverse mix of over **50 businesses**, including restaurants, retail, farming, and other commercial enterprises.

### Neighborhood business districts

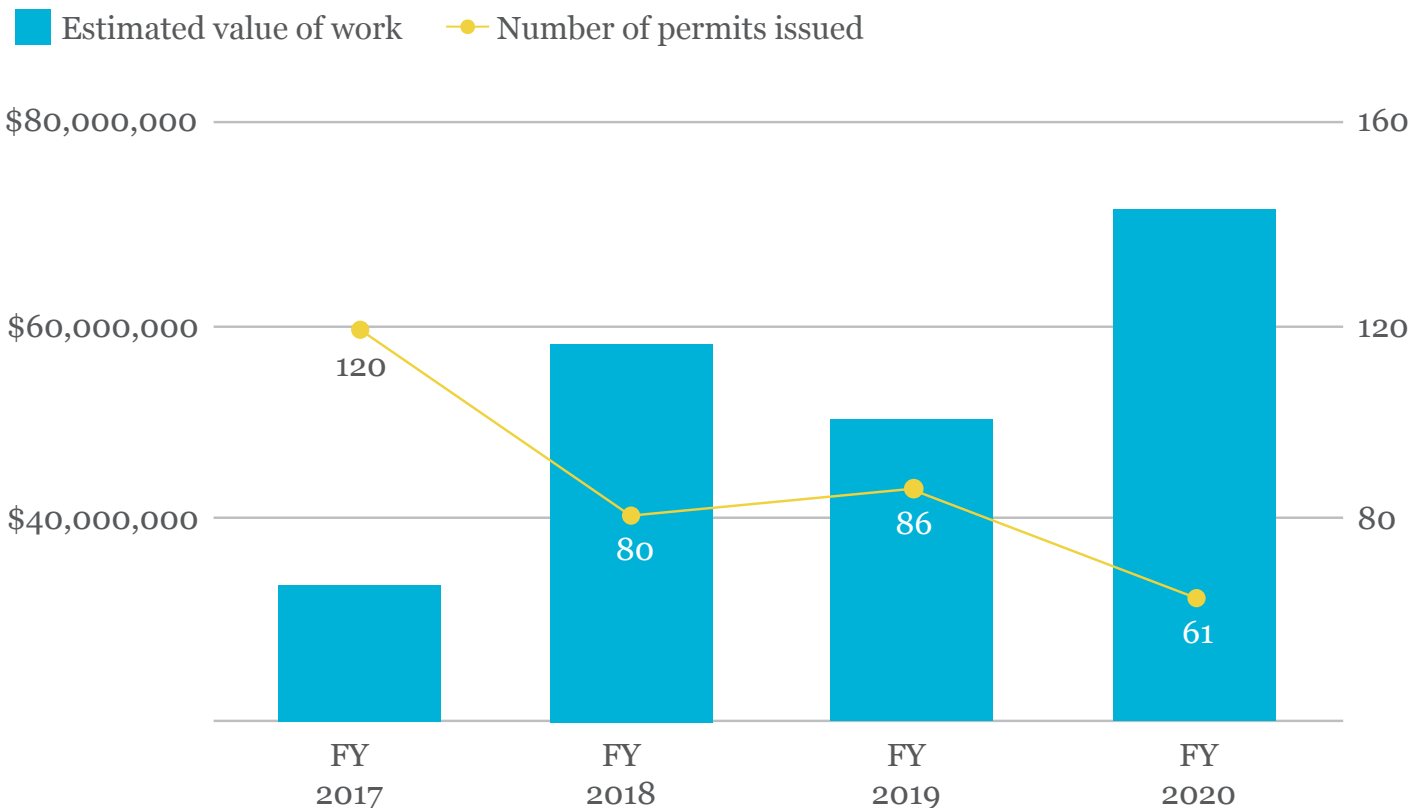
Throughout Lexington are several nodes with commercial availabilities that serve as community hubs, cultural centers, and unique business opportunities.

# Commercial Development & Investment

## Commercial Construction Permits

Analysis of the View Permit database shows that 61 new permits were issued in the last fiscal year, for work valued at a total of over \$69 million. While the volume of permits is not as high as in past years, the total value is much greater, indicating that the average value of each project has grown exponentially.

### Commercial Construction Permits by Fiscal Year



**There are already 31 life science properties in Lexington. The rezoned Hartwell Innovation Park District will invite more in the coming years.**



# Planned Development Districts

Since 1979, 21 commercial properties in Lexington have been rezoned through the Planned Development (PD) process. The PD process allows a property owner or developer to create a new zoning designation with new allowable uses, setbacks, floor-area ratios, parking counts, and more. Recent Planned Development Projects include 1050 Waltham Street, 186 Bedford Street, Waterstone and Bridges, 7 Hartwell Ave, and 75 Hayden Ave.



Rendering of Greatland Realty Partners Revolution Labs, 1050 Waltham Street, Lexington MA



Sketch of a planned mixed-use commercial/residential development on 186 Bedford St, Lexington MA



100% occupied lab/life sciences Planned Development project by JLL and King Street Properties on 75 Hayden Ave., Lexington MA

# 2021 Development Pipeline

Where	Who	What	How Much	When
1050 Waltham Street	Greatland Properties	Constructions of a 4-story life science building and a 6-story parking garage	\$30.3 Million	Expected completion Fall 2022
91 Hartwell Avenue	Lincoln Properties	Construction of a new 4-story life science building and 4-story parking garage	\$11.8 Million	Expected completion Winter 2022
20 Maguire Road	Griffith Properties	Complete rehabilitation of existing office building into lab space for iVexSol and Convatec	\$3.4 Million	Expected completion Fall 2021
20 Waltham Street	Omar's Comics	Conversion of a former restaurant space into Omar's Comics, a local comic book store and gaming center	\$1.4 Million	Expected completion Fall 2022
186 Bedford Street	186 Bedford Street LLC	Conversion of existing historic building into an 11-unit housing development with street level commercial space	\$2.15 Million	Expected completion Winter 2022
1736 Massachusetts Avenue	JJ and R Realty Trust	Interior fit up of new restaurant space for La Dolda, a new, fresh pasta shop	\$150,000	Opened Summer 2020
229 Massachusetts Avenue	Featherview LLC	Interior fit up of new restaurant space for Parfait Please, a vegan ice cream shop that will face the bike path	\$85,000	Expected completion Fall 2021
400 Shire Way	Takeda	Construction of 20,000 sq. ft. addition to the existing lab building	\$40 Million	Fall 2021



# Life Science Property Analysis 2020

Comp Municipality	Life Sciences Properties	Availability Q4 2020	Commercial Tax Rate
Lexington	31	6.40%	\$27.98
Waltham	34	19.50%	\$24.36
Burlington	6	33.90%	\$25.54
Bedford	20	22.70%	\$28.95

Source: Costar, December 1, 2020

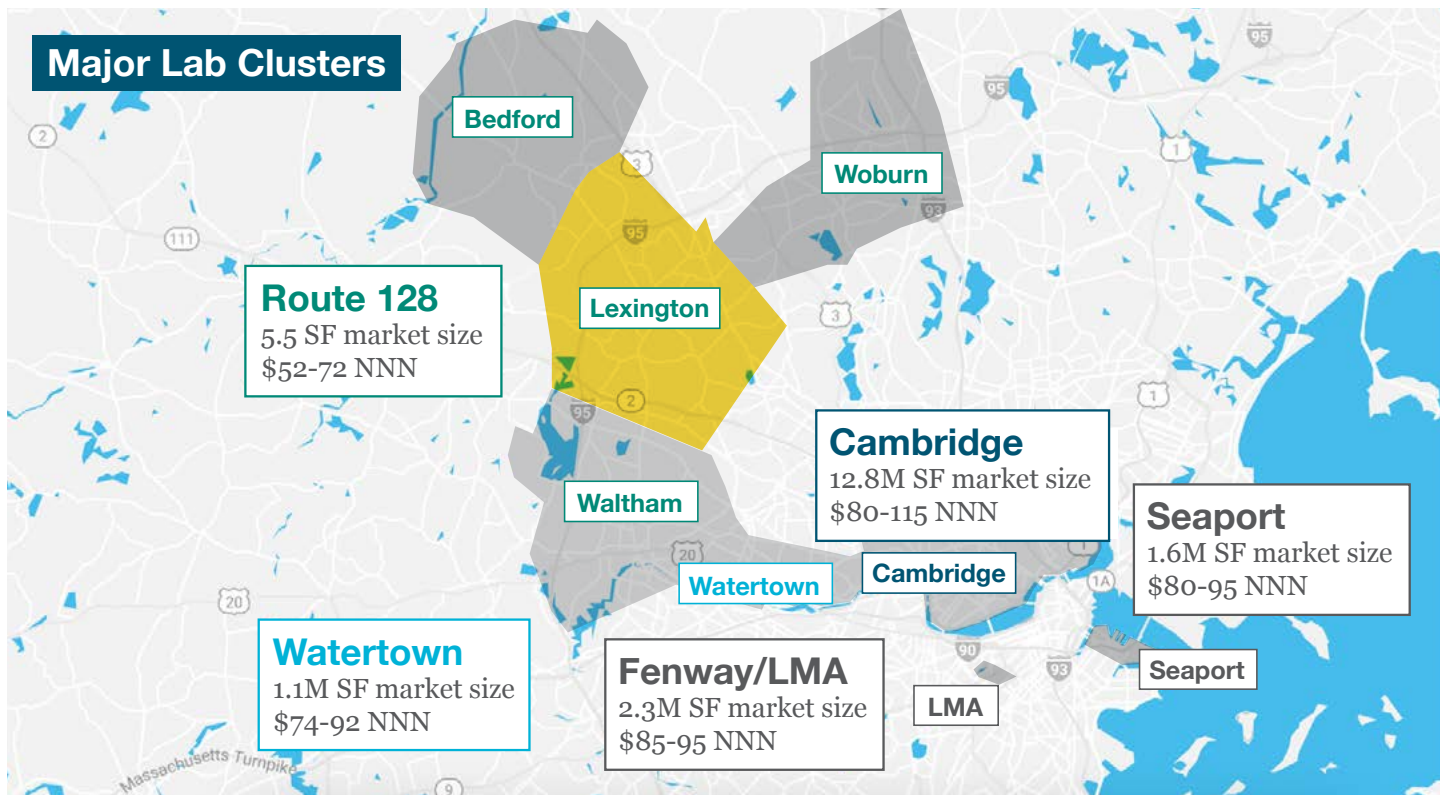


Artist rendering of Greatland Realty Partners Revolution Labs, 1050 Waltham Street, Lexington MA (Q3 2022 estimated delivery)

# Real Estate

Lexington is located in one of the most innovative districts with the richest talent pool which has been attracting life sciences, as well as technology companies, in this region.

Home to over 30 biotech and pharmaceutical companies and **3,300 jobs** in those fields, Lexington has become a hub for many of the East Coast's best innovators. Lexington has become a destination for life sciences and other industries, yet has maintained relatively affordable office and lab real estate compared to surrounding communities, like Cambridge.



Source: Colliers Boston Market Overview

Rezoning the Hartwell Innovation Park District (HIP) will reposition the existing office space to close the gap by promoting Lexington as an affordable alternative that still has the access and amenities of Greater Boston for growing companies.

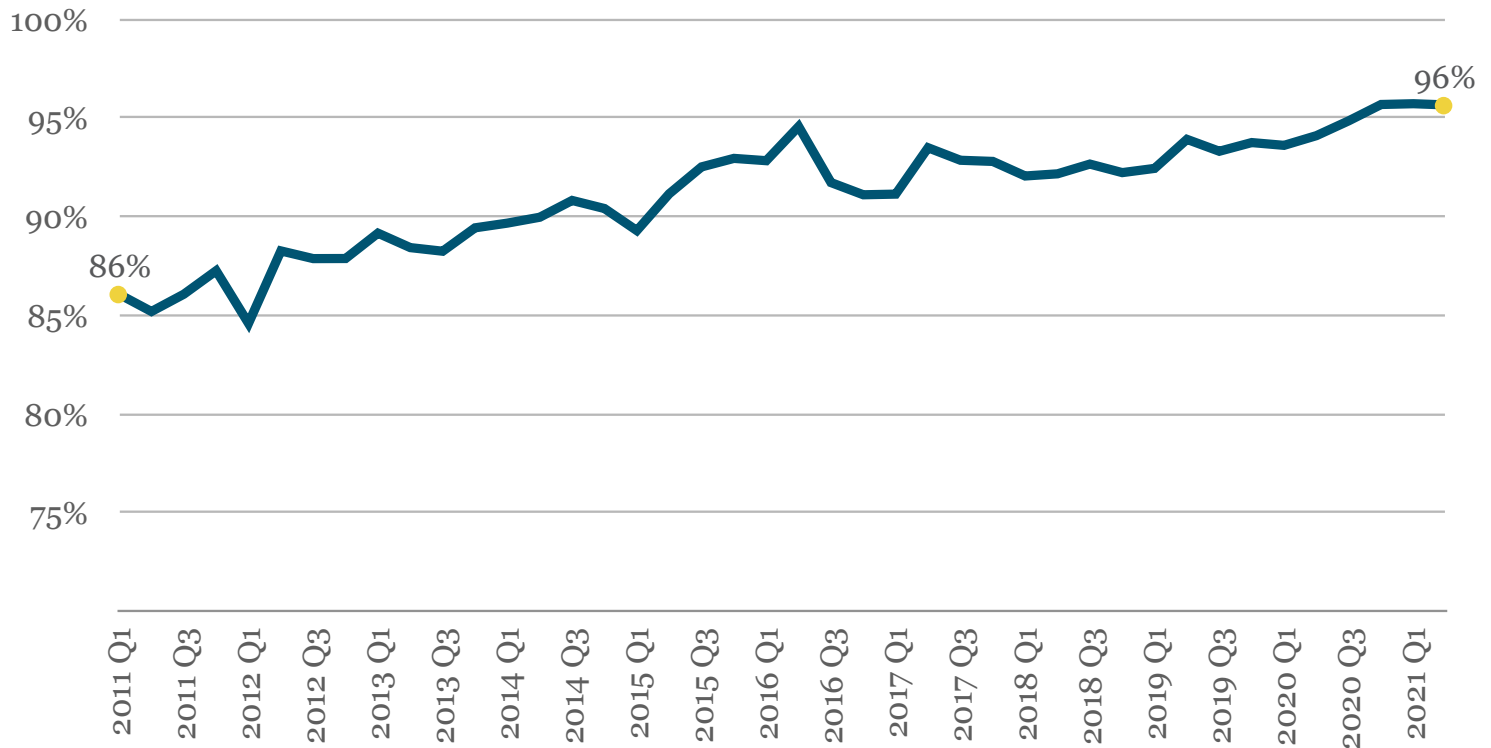
## Vacancy Rates

2019 2020



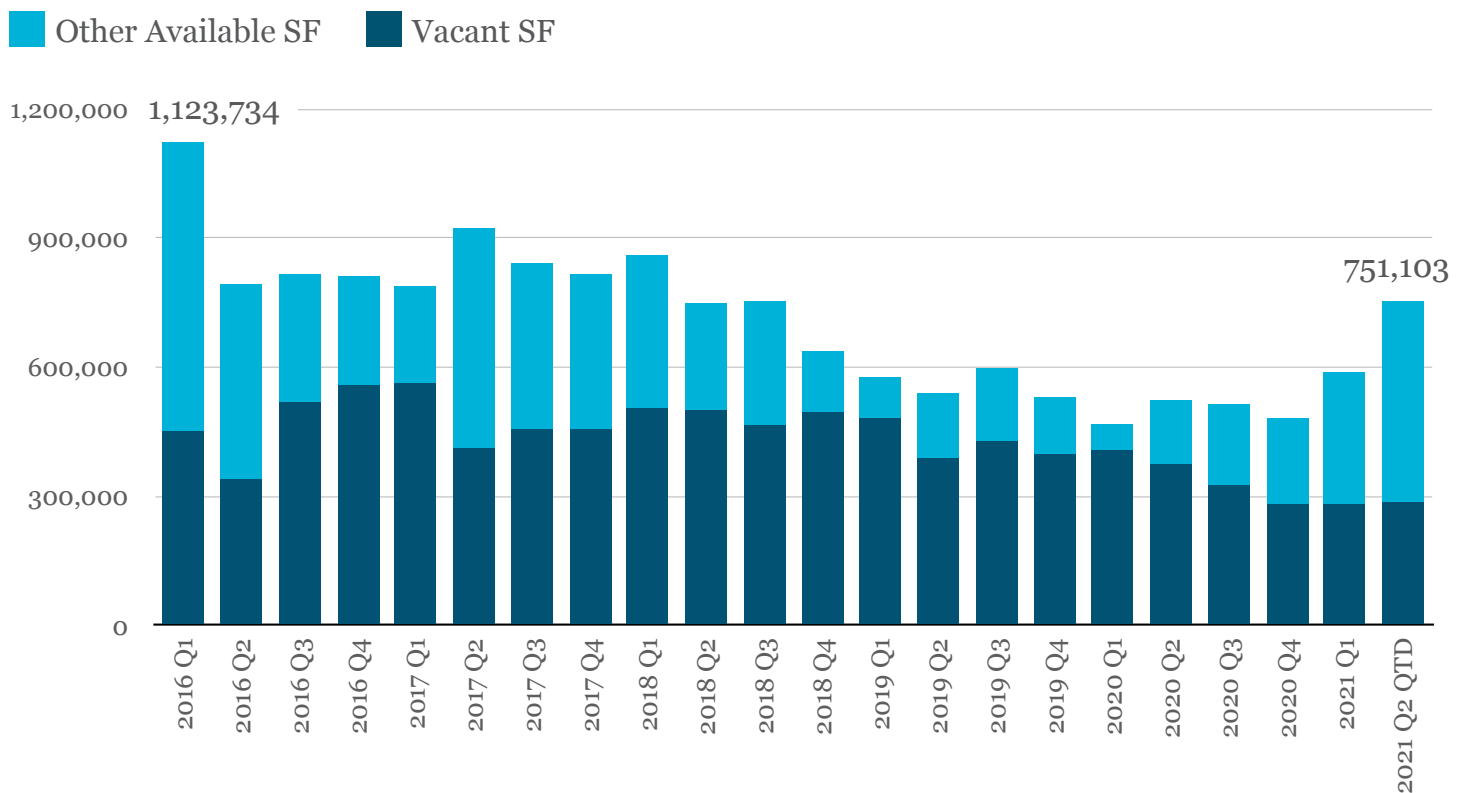


## Occupancy Rate



Source: Costar, May 15, 2021

## Availability versus Vacancy



Source: Costar, May 15, 2021



Congresswoman Katherine Clark and Frequency Therapeutics Co-Founder & CEO David L. Lucchino at the Frequency Therapeutics ribbon-cutting ceremony, July 2021



# Employment

**1,454 Lexington  
businesses  
employ 22,757  
people.**

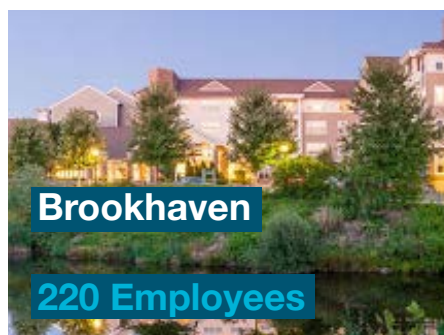
Since 2007, there has been a 19.9% increase in business establishments in town.  
In 2021, workers in Lexington are expected to earn \$686,665,799 in total wages, approximately \$2,519 per worker per week.

## Top Industries

**Professional and Technical Services: 11,068  
Scientific Research and Development: 7,007  
Educational and Health Services: 4,187**

Source: Executive Office of Labor and Workforce Development. Jobs may overlap into multiple fields.

## Top Private Employers



## Business Expansion Retention and New Arrivals





# Art, Culture, & Tourism

The COVID-19 pandemic drastically altered the operations of tourism services in Lexington. After some brief closures, the Lexington Visitors Center and the Lexington Historical Society pivoted and adjusted their offerings to meet the current public health guidelines. The new Visitors Center (completed April 2020) opened to the public in 2020. The Liberty Ride Trolley Tour went on hiatus for the season, but outdoor Battle Green walking tours were added to the list of offerings.

## 2020 By the Numbers

**11,000** Virtual Tours of the Historic Home Museums

**545** Outdoor Tours of the Buckman Tavern and the Hancock Clarke house

**400** Buckman Tavern Visitors

**800** Battle Green Walking Tours

**7,200** Tourists in the Visitors Center

OPEN







## Visitor-based economy

Prior to the pandemic, Lexington was visited by over 120,000 tourists each year, generating \$1.34 million in hotel and meals tax revenue annually.

Fiscal Year	Hotel/Motel Tax	Meals Tax
FY 19	\$957,681	\$471,907
FY 20	\$802,003	\$438,224
FY 21	\$242,500	\$119,500

Hotel/motel tax revenue was down 75% in the spring of 2020 (March, April, May), and meals tax revenue was down by 50% during the same period. They were both approximately 50% of pre-pandemic levels over the summer of 2020, but they dropped back down again in the fall and winter, largely due to renewed restrictions on travel, dining, and businesses.

2027 MASSACHUSETTS AVE.



## Battle Green Walking tours

In an attempt to create a more COVID-safe option for tourists, the Economic Development team implemented one hour guided walking tours of the Battle Green, Burial Ground, and surrounding areas in the Summer of 2020. A minimal fee was charged. The tours were immediately popular and will be offered in future seasons. Over **800 tickets** were sold.



## Tourism App



**Tourism Website usage,  
last 12 months**

**Unique Visitors: 31,207**

**Total Pageviews: 80,401**

**App Downloads: ~2,000**



## Tour Lexington MA

by Lexington MA Economic Development

Learn More about Lexington  
History, Businesses, and  
Attractions!

SHARE APP

SHOW FULLSCREEN



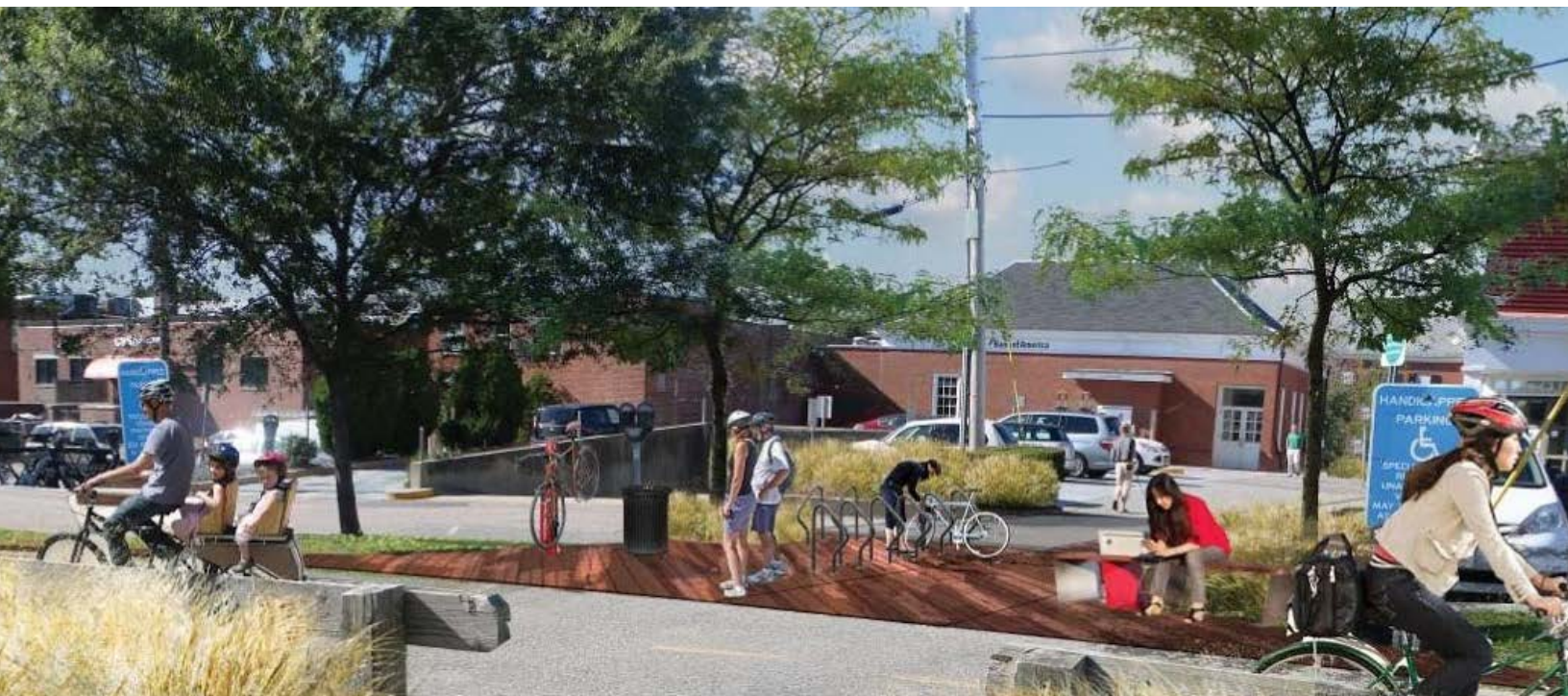
## Collaborative Projects

The Economic Development Office worked closely with the ArtWalk team to activate the commercial corridors during the pandemic to add more vibrancy through projects such as the barrier beautification project, letter cutouts, and painted posts in different locations throughout Lexington.



## Grain Mill Alley Bike Node:

The Economic Development Office is working with Department of Public Works on the Grain Mill Alley Bike Node, with construction expected to begin in summer 2021.



Artist rendering of Grain Mill Alley Bike Node



## Center Streetscape communication and outreach:

The logo for the Center Streetscape project was designed by the Design and Visual Communication students at Minuteman High School. The Economic Development office works closely with Town engineering staff, Public Information Officer, and the community to communicate updates about the project. The Center Streetscape construction begins June 2021.



## Step Up for Lexington

The Economic Development Office teamed up with the Lexington Retailer's Association, the Lexington Chamber of Commerce, and two Lexington High School students to create the "Step Up for Lexington" program. This initiative is an attempt to encourage residents and visitors to shop and dine locally by having them receive a stamp on their card for each purchase and being entered in a weekly raffle.









# COVID-19 & Lexington Looks Ahead

**The global pandemic has changed the way we think about economic vibrancy and vitality in Lexington.**

Our small and large businesses have joined forces to create critical partnerships to survive the pandemic. Lexington is fortunate to have large businesses such as Takeda Pharmaceuticals donate \$250,000 to help support Lexington families impacted by COVID-19. Lexington is a town of pioneers and resilient leaders, and COVID-19 has helped the town rethink existing strategies to devise innovative solutions to help businesses survive and grow during and after the pandemic. The Economic Development Office, with the support of committees and working groups, is looking at an exciting new fiscal year with growth in life sciences commercial development, retail and restaurants, and more visitors coming to the town.

**15 Outdoor Seating Permits**

**3 Outdoor Salon Permits**

**\$4.4M Awarded to Lex Businesses**

**91 Businesses Supported**

**71 Women and Minority Owned  
Business Supported**

**\$166k Government Funding Support for  
ED Initiatives**

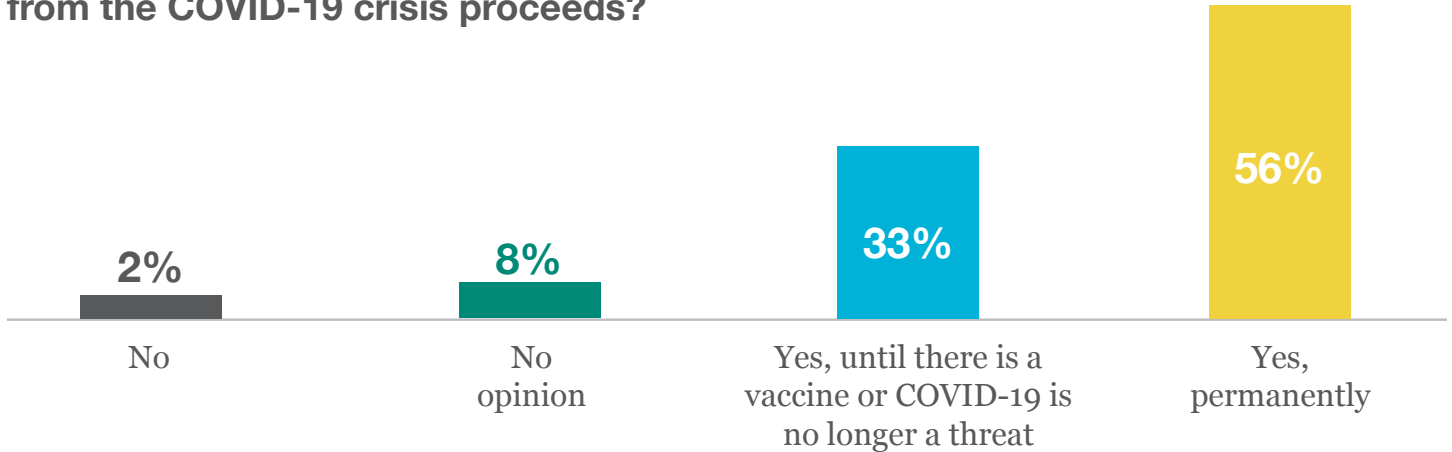
**\$120k Technical Assistance Grant Dollars**

# Lessons Learned

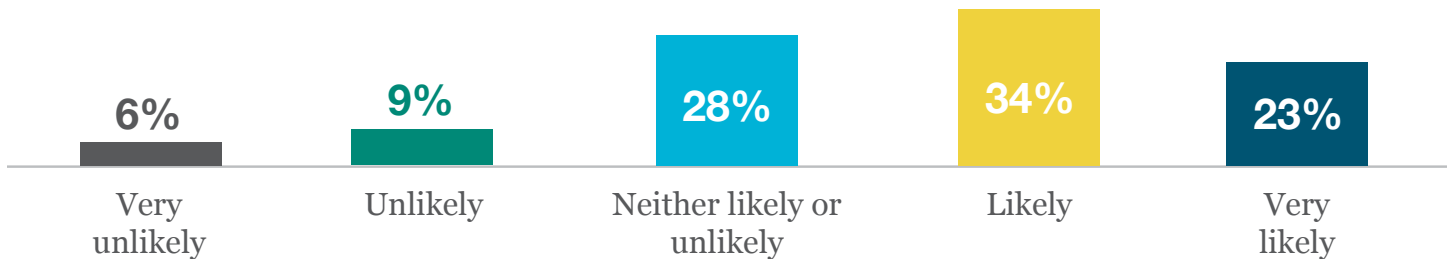
## Consumer survey:

In late-winter 2021, a survey of Lexington residents' opinions, preferences, and comfort levels during the COVID-19 pandemic was conducted. The survey had 934 respondents, mostly residents with a few visitors and employees. In addition to helping us understand behavior during the pandemic, respondents provided insights and suggestions to help Lexington's economy during the reopening phase and beyond.

**Would you like to see curbside options for restaurants continue as the recovery from the COVID-19 crisis proceeds?**



**If local merchants offered their products and services through online shopping, how likely would you be to shop through local retailers' online stores compared to major national or global online retailers?**



**Would you, as the customer, be willing to pay more for goods and services in businesses that implement increased safety precautions?**







56 percent of Lexington residents and visitors want expanded outdoor dining to be permanent, according to a recent consumer survey.



Photo credit: Lexington Farmer's Market

# **Town of Lexington Massachusetts Economic Development Office**

**1875 Massachusetts Avenue  
Lexington MA 02420  
781-698-4568**

**Sandhya Iyer  
[siyer@lexingtonma.gov](mailto:siyer@lexingtonma.gov)**

**Casey Hagerty  
[chagerty@lexingtonma.gov](mailto:chagerty@lexingtonma.gov)**

**Brandon Latham  
Valente Intern 2021**